

## Message Text

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ORIGIN EB-11

INFO OCT-01 AF-10 EUR-25 ADP-00 SCEM-02 INT-08 COME-00

TRSE-00 CIEP-02 OMB-01 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-15 IO-13 AID-20 /161 R

DRAFTED BY EB/ORF/FSE:GMBENNSKY:CJR

8/10/73:X20536

APPROVED BY EB/ORF/FSE - MR. BENNSKY

AF/N - MR. LANE

EB/IFD/OIA - MR. KENNEDY

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R 102115Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY LONDON

AMEMBASSY TRIPOLI

C O N F I D E N T I A L STATE 158761

E.O. 11652 GDS

TAGS: ENRG

SUBJECT: LIBYAN-OCCIDENTAL NEGOTIATIONS

1. OIL COMPANY SOURCES REPORT THAT, IN TRIPOLI MEETING AUGUST 9 WITH OCCIDENTAL NEGOTIATOR WILLIAMSON, PRIME MINISTER JALUD AND PETROLEUM MINISTER MABRUK SAID LARG WANTS NEGOTIATE TAKEOVER 51 PERCENT OF CONCESSIONS OF OIL COMPANIES OPERATING IN LIBYA. IF OCCIDENTAL AND OTHER COMPANIES NOT WILLING DO THIS, THEN LARG WOULD UNILATERALLY NATIONALIZE THE 51 PERCENT AND IF THE COMPANIES RESISTED (PRESUMABLY LEGALLY BUT PERHAPS IN OTHER WAYS ALSO) THEN THE REMAINING 49 PERCENT WOULD BE TAKEN OVER. IN LATER CONVERSATION, MABRUK AND MUNTASSER (HIS DEPUTY) TOLD WILLIAMSON THAT LARG WISHED TO AVOID CHAOTIC SITUATION THAT WOULD RESULT  
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FROM UNILATERAL SEIZURE BUT WAS PREPARED TAKE THIS

STEP IF COMPANIES WOULD NOT COOPERATE. WILLIAMSON HAS REPORTED BACK TO LIBYAN COMPANY GROUP THAT HE EXPECTS LARG TO DECREE 51 PERCENT NATIONALIZATION IF THE COMPANIES ARE UNWILLING TO VOLUNTARILY NEGOTIATE IT. HE HAS NO FURTHER SCHEDULED MEETINGS WITH LARG'S OIL NEGOTIATORS.

2. THERE WAS LITTLE MENTION OF THE BASIS FOR COMPENSATION FOR THE 51 PERCENT, AND OIL COMPANY SOURCES HERE

EXPECT IT REMAINS NET BOOK VALUE, WHICH THEY CONTINUE FIND UNACCEPTABLE.

3. JALUD SAID BUY BACK PRICE TO COMPANIES OF LIBYA'S 51 PERCENT SHARE OIL WOULD BE DOLS 4.90 A BARREL FOR 40 GRAVITY CRUDE TAKE IT OR LEAVE IT, SINCE LIBYA ALREADY KNOWS FROM OFFERS IT HAS THAT THE OIL CAN BE SOLD FOR THIS PRICE. WILLIAMSON ARGUED THIS PRICE, WHICH ABOVE CURRENT MARKET PRICE, NOT PRACTICAL VALUATION FOR INTEGRATED INTERNATIONAL OIL COMPANIES. (POSTED PRICE, WHICH HIGHER THAN MARKET, LIBYAN 40 GRAVITY CRUDE WAS DOLS 4.58 ON AUGUST 1.) ROGERS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, PETROLEUM, MEETINGS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 AUG 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE158761  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** GMBENNSKY:CJR  
**Enclosure:** n/a  
**Executive Order:** GS BENNSKY  
**Errors:** N/A  
**Film Number:** n/a  
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**Original Handling Restrictions:** n/a  
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**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 13 JUL 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <13-Jul-2001 by worrelsw>; APPROVED <16-Jan-2002 by elyme>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LIBYAN-OCCIDENTAL NEGOTIATIONS  
**TAGS:** ENRG, LI, US, OCCIDENTAL  
**To:** LONDON TRIPOLI  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005